



2016 Annual Report

Introduction

In 1975, the Downtown Development Authority (DDA) Act was designed to be a catalyst in the development of a community's downtown district. The DDA provides for a variety of funding options including tax increment financing. These finances are used to fund public improvements in the downtown district. The DDA tax increment financing mechanism allows for the capture of incremental growth of local property taxes over a period of time to fund public infrastructure improvements. Therefore, a community can capture property taxes which

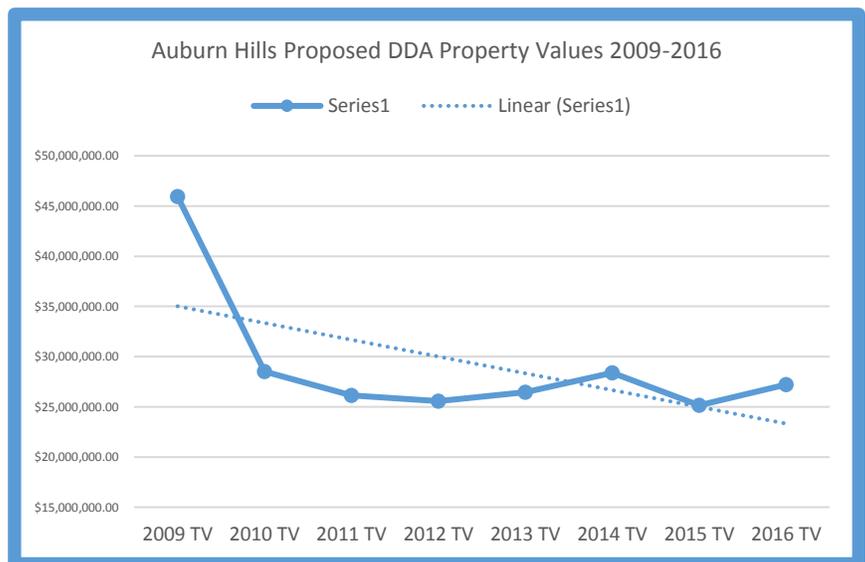
would have otherwise been paid to external entities and use them for public improvement projects. Funding large-scale projects can lead to new development opportunities in the district and is considered an amenity to the development community. The DDA legislation requires the creation of a public board, solely dedicated to the improvement of the downtown; The DDA Board of Directors

History of Auburn Hills DDA

Auburn Hills was formerly known as Pontiac Charter Township. The township adopted two ordinances pursuant to The DDA Act created the original DDA: Ordinance #325, January 17, 1983 – Establishment of the original Downtown District; and Ordinance #327, April 21, 1983 – Adoption the Tax Increment Financing and Development Plan for the Pontiac Charter Township DDA. Although adopted and enacted, the DDA never captured any money from tax increment financing and eventually dissolved as TIFA legislation became popular later in the 1980's. The TIFA and its corresponding districts became the primary economic development focus in Auburn Hills, and TIF District 85-A follows the same boundaries as the original DDA District. In 2002, the small downtown area at Auburn and Squirrel was revitalized as the "Village Center" with impressive streetscape improvements. Since that time, businesses and development has thrived in downtown and continues to grow. As mentioned, the core downtown falls under the jurisdiction of TIF District 86-A. Auburn Hills' leaders saw the desire to expand Downtown to accommodate the growing number of multi-generational families and influx of college students in the community. Therefore in 2013, the City began researching and designing a new DDA District for the extension and continuation of Downtown Auburn Hills to the North, East and West of the core.

Reinstating the DDA

The Great Recession caused a sharp decline of property values in the DDA district. This provided an opportunity for the community and allowed the City to strategically purchase property for future redevelopment. Tax increment financing allows for capture of the increase in value of a property. Therefore, when Auburn Hills purchased a property, the taxable value became \$0, allowing for the largest possible tax increment revenue capture upon the property's redevelopment. The boundaries of the DDA include parcels the City purchased in foreclosure during the Great Recession. Decline of property value in the



DDA directly relates to the DDA legislative provision of halting the deterioration of property value in the district.

Having the DDA is a positive mechanism for developers because the capture of revenue allows Auburn Hills to maintain and preserve infrastructure. The Hyett Palma 2009 Downtown Economic Study indicated that the Auburn Hills' community longs for more rooftops and density in and around its downtown. The creation and expansion of the downtown exemplify Auburn Hills' dedication to making the community an age friendly and walkable environment for generations. The City is committed to participating in and utilizing the tools that Oakland County Planning and economic Development provide through Main Street Oakland County and the National Main Street program to help track the goals and mission of the DDA, and understand strengths and weaknesses of the DDA for continuous and optimal investment and expansion in the district.

**Drop in Taxable Value of District due to MTT and Personal Property Tax Exemption. Value of district established at \$21,952,37 – overall captured value \$5,068,010.*

2016 Summary

At their first meeting in 2016, and DDA Board of Directors selected Nathan Spurlin as its Chairman and John Young as its Vice Chairman as both men enter into their second year in these respective roles. The Board recommended purchasing the domain names for Downtown Auburn Hills that will direct visitors to the city's designated Downtown webpage.

In April, 2016 the DDA Board reviewed its first annual report which was filed with the state tax commission. This report laid out revenues, expenditures and broke out exactly how much in tax increment revenue was collected from all of the taxing jurisdictions. Additionally, the report estimates the number of direct and indirect jobs created within the district based on the increased tax capture.

Representatives from Main Street Oakland County attended a Downtown Development Authority Board of Directors meeting in July. They gave an overview of the program and the benefits joining the community network would provide to Auburn Hills. After the presentation, the DDA Board of Directors authorized the Executive Director to pursue Main Street Oakland County affiliation and begin working on the application.

From July to October, the Downtown Development Authority sponsored an event every other Sunday evening called Rolling in the Hills – genius name created by one of the community bike ride participants. This event was modeled after the Detroit Slow Roll. It invites riders of all ages and skill sets to join together for an hour and ride around town to get a glimpse of different parts of Auburn Hills. Ridership throughout the season increased up to nearly 40 riders and ended with a special private tour of Meadowbrook Mansion.



In the month of September, the Board of Directors completed their first budget review. Revenue for the year was less than anticipated due to the

- 1) Establish reasonable development opportunities and attract a variety of both public and private interests.
- 2) Accommodate mixed uses within the DDA district to continue the retail and residential component and create a continuum of activity to the east and west of the core downtown as driven by developer demand.
- 3) Provide a diversity of experiences and views that will appeal to all ages of the permanent community, business community, college community and visitors.
- 4) Link the DDA District with the river and the park systems through walkable, pedestrian friendly, and green space enhancements.
- 5) Encourage events within Downtown in ways that create community excitement through increasing involvement and public ownership of the events and nightlife.
- 6) Improve wayfinding in Downtown Auburn Hills for both foot traffic as well as automobiles. Establish Downtown as a destination through enhanced signage and branding.
- 7) Establish facility designs that reflect the character of Downtown and promote compatibility between new and existing developments.
- 8) Improve the overall business climate of the DDA District through planning, promotion and strategic coordination of activities and implementation of improvement projects.
- 9) Foster cooperation between the DDA, City staff and officials, residents and our partners at Oakland County, including the Main Street Oakland County downtown program.

timing and ground breaking of new projects. The Board was able to see how their cash position over the next few years increases exponentially if expenditures are conserved. This position will continue to increase as more projects completed within the district and contribute to the overall taxable value.

At the final meeting of the year, the Board selected Mr. Spurlin and Mr. Young to continue their roles as Chairman and Vice Chairman respectively into 2017. The Board reviewed a list of potential 2017 events. Staff worked to create a list of small, community centered events that are engaging yet, less staff intensive than the current downtown events. The Board provided recommendations including more targeted audience marketing. The Board will be working very closely with the Tax Increment Finance Authority Board of Directors regarding the management of Downtown as most of the commercial core of Downtown is within TIF District A. To best manage this integral aspect of downtown management, an executive committee has been selected and will begin meeting in 2017. This committee includes two members of the DDA and two members of TIFA. They will provide recommendations to each board about support for Downtown events and assist in greater community engagement at events.



The Application to become an affiliate member of Main Street Oakland County was submitted at the end of 2016.

Future Outlook

With an estimated day-time population over 50,000 within a two mile radius of Downtown Auburn Hills it is important to attract those individuals to the community during lunch and after work. The DDA Board of Directors will continue to work towards it's the established goals. As tax increment revenue becomes available for use, the DDA will become the event and marketing machine for all of Downtown Auburn Hills. The Board works to drive private interest and developments within its designated district and expand Downtown Auburn Hills to the East, West and North of the current commercial core. Moving into 2017, the DDA and Downtown Executive Committee will work to drive engaging downtown events and establish baseline information to monitor and measure the successes of Downtown and the overall performance of the DDA.

2017 DDA Board of Directors

Kevin McDaniel, Mayor of Auburn Hills

Nate Spurlin, Chairman

John Young, Vice Chairman

Kathy Genautis

Dan Gliniecki

Jean Jernigan

Al Travnikar

Steven Volk

Dawn Wise

Samantha Mariuz, Executive Director

